

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02197A

H

Humboldt Water Systems Inc

PO Box 10593

Sedona, AZ 86339

APR 15 2005

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004
-----------	-----------	-------------

FOR COMMISSION USE

ANN04	04
--------------	-----------

COMPANY INFORMATION

Company Name (Business Name) Humboldt Water Systems Inc.

Mailing Address PO Box 10593
(Street)

Sedona Arizona 86339
(City) (State) (Zip)

928-204-0604 928-301-3723
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email

Address timkyllo@msn.com

Local Office Mailing Address PO Box 10593
(Street)

Sedona AZ 86339
(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Tim Kylo Pres
(Name) (Title)

PO Box 10593 Sedona AZ 86339
(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: Tim Kylo
(Name)

PO Box 10593 Sedona AZ 86339
(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: <u>Tim Kylo</u>			
(Name)			
<u>PO Box 10593</u>	<u>Sedona</u>	<u>AZ</u>	<u>86339</u>
(Street)	(City)	(State)	(Zip)
<u>928 204 0604</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney: <u>NONE</u>			
(Name)			
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input checked="" type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME Humboldt Water

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	2,378	713	1,665
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	1,650	1,650	0
307	Wells and Springs	19,897	16,149	3,748
311	Pumping Equipment	48,916	37,654	11,262
320	Water Treatment Equipment	2,087	2,087	0
330	Distribution Reservoirs and Standpipes	47,943	29,517	18,426
331	Transmission and Distribution Mains	119,437	77,858	41,579
333	Services	38,597	20,521	18,076
334	Meters and Meter Installations	27,343	19,877	7,466
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	308,269	206,047	102,222

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	2,378	5%	119
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	1,671		0
307	Wells and Springs	19,897	5%	995
311	Pumping Equipment	48,916	5%	2,446
320	Water Treatment Equipment	2,087		0
330	Distribution Reservoirs and Standpipes	47,943	5%	2,397
331	Transmission and Distribution Mains	119,437	5%	5,972
333	Services	38,597	5%	1,930
334	Meters and Meter Installations	27,343	5%	1,367
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	308,269		15,226

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 2,695	\$ 5,324
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 2,695	\$ 5,324
	FIXED ASSETS		
101	Utility Plant in Service	\$ 306,053	\$ 308,269
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	190,821	206,047
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$115,232	\$ 102,222
	TOTAL ASSETS	\$ 117,927	\$ 107,546

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	15,569	17,088
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 15,569	\$ 17,088
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 33,225	\$ 29,833
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	25,829	26,329
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 25,829	\$ 26,329
	TOTAL LIABILITIES	\$ 74,623	\$ 73,250
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 2,013	\$ 2,013
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(36,154)	(36,309)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$	\$
	TOTAL LIABILITIES AND CAPITAL	\$ 110,777	\$ 107,546

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 120,184	\$ 109,922
460	Unmetered Water Revenue		
474	Other Water Revenues	771	630
	TOTAL REVENUES	\$ 120,955	\$ 110,522
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	9,833	8,108
618	Chemicals	3,350	3,540
620	Repairs and Maintenance	34,166	29,785
621	Office Supplies and Expense	1,200	1,200
630	Outside Services	53,000	68,436
635	Water Testing	1,600	1,519
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	2,200	2,600
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1,200	1,200
403	Depreciation Expense	15,111	15,226
408	Taxes Other Than Income		
408.11	Property Taxes	4,566	5,877
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 126,226	\$ 121,065
	OPERATING INCOME/(LOSS)	\$ (5,231)	\$ (11,143)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	2,135	918
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ (7,366)	\$ (12,061)

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	01/09/99			
Source of Loan	wifa			
ACC Decision No.	61529			
Reason for Loan	improvements			
Dollar Amount Issued	\$39,500	\$	\$	\$
Amount Outstanding	\$31,618	\$	\$	\$
Date of Maturity	12/31/2019			
Interest Rate	5.81 %	%	%	%
Current Year Interest	\$918	\$	\$	\$
Current Year Principle	\$2394	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 15,949

Meter Deposits Refunded During the Test Year

\$ 2,200

COMPANY NAME Humboldt Water

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
623784	5	40	150	6	1 1/2	?
533639	10	150	300	8	3	1991

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
65,000	1		
10,000	1		
5,000	1		

COMPANY NAME Humboldt Water

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Steel	10,000
3		
4	pvc	15,740
5	Steel	3,500
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	258
1	3
1 1/2	1
2	3
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

Chlorine injector

STRUCTURES:

Fenced well lot and building

OTHER:

COMPANY NAME: Humboldt Water Systems

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	275	1,659	1,845
FEBRUARY	276	1,359	1,675
MARCH	270	1,498	1,785
APRIL	277	1,767	1,987
MAY	281	2,033	2,290
JUNE	280	2,393	2,570
JULY	283	2,510	2,945
AUGUST	287	1,918	2,170
SEPTEMBER	285	1,968	2,340
OCTOBER	289	1,888	1,975
NOVEMBER	285	1,302	1,685
DECEMBER	290	1,373	1,584
TOTAL		N/A	24,851

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ **Yes** ☐ **No**

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ **Yes** ☒ **No**

If yes, provide the GPCPD amount:_____

What is the level of arsenic for each well on your system. 1.2 mg/l

(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Humboldt Water YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 5,877.90

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME Humboldt Water **YEAR ENDING 12/31/2004**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported s-corp
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

04/12/05
DATE

Timothy L Kylo
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

APR 15 2005

VERIFICATION

STATE OF AZ

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Yavapai
NAME (OWNER OR OFFICIAL) TITLE
<i>Timothy A. Kelly</i>
COMPANY NAME
<i>Humboldt Water Systems Inc</i>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

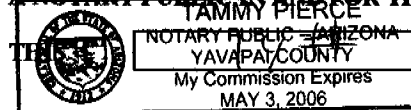
\$ 117,079

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 7157
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



(SEAL)

DAY OF

COUNTY NAME
<i>Yavapai</i>
MONTH
<i>April</i>
2005

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES May 3, 2006

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

APR 15 2005

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <i>YAVAPAI</i>	
NAME (OWNER OR OFFICIAL) <i>Timothy A. Kyllie</i>	TITLE <i>Pres</i>
COMPANY NAME <i>Humboldt Water Systems Inc.</i>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 117,079

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 7157
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

[Signature]
SIGNATURE OF OWNER OR OFFICIAL
928-301-3723
TELEPHONE NUMBER

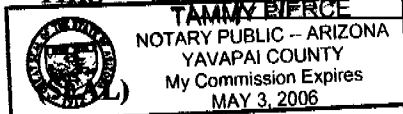
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

14th

DAY OF



NOTARY PUBLIC NAME <i>Tammy Pierce</i>	
COUNTY NAME <i>Yavapai</i>	
MONTH <i>April</i>	YEAR <i>2005</i>

MY COMMISSION EXPIRES

May 3, 2006

X

[Signature]
SIGNATURE OF NOTARY PUBLIC